



State of Utah

GARY R. HERBERT

Governor

GREG BELL

Lieutenant Governor

TODD E. KISER

Acting Commissioner

Insurance Department

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Utah - a Destination for Captive Insurers

2012 was been another record breaker for the Utah Insurance Department's Captive Division. The year concluded with the licensure of 68 new captive insurance companies and 14 new cell captives. This represents just one less license than the 69 new captives licensed in 2011.

"The flow of captives coming to Utah over the past four years is impressive," said Insurance Commissioner Todd E. Kiser. "In 2007 we had 93 active captives; by the end of 2012 we had a total of 286. That is an annual growth rate of 26% making us one of the fastest growing captive domiciles in the world."

Part of the licensing process for new captives includes visiting with Ross Elliott, Director of the Captive Division. "Usually I will ask them why they want to be licensed in Utah," said Mr. Elliott. "Reasons vary, but generally include the fact that Utah provides fair, experienced, and responsive regulation. Utah was also ranked the best place for business and careers for three straight years by Forbes magazine. We have a young and well-educated workforce, a transportation hub, great snow and some of the most exciting recreational venues in the world."

"Talent, infrastructure, and recreational opportunities alone wouldn't draw captives to Utah if we couldn't provide the service captive insurers need to succeed," said Mr. Elliott. "Since the passage of the Captive Insurance Companies Act, the Utah Legislature continues support of its implementation and record growth. They authorize and fund us to hire competent people to keep up with our phenomenal growth. Without our professional staff, we couldn't respond in a timely manner to the flow of information, client calls, or the required audits."

Captive insurance is a type of self insurance, regulated by state insurance departments. The captive insurer is created by a company or group of companies as a form of alternative insurance to finance its own risk. The owners of Utah's 286 captives are located in 30 different states, primarily from the western United States. The fastest growing industry segments during 2012 were agriculture, retail, and telecommunications.

To learn more about captives in Utah go to <http://www.captive.utah.gov/index.html>.

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Please note: Agency hours are 8am-5pm, Monday-Friday.